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E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAO](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

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#### ARTICLES:

(1) Nishimatsu received 80 PERCENT of its orders in Nikai's home turf in Wakayama

TOKYO SHIMBUN (Top play) (Abridged slightly)  
March 16, 2009

In connection with massive donations from Nishimatsu Construction Co., a second-tier general contractor, it has become clear that the company has received some 80 PERCENT of its orders in Wakayama Prefecture for public works projects in House of Representatives Wakayama Constituency No. 3, the home turf of Economy, Trade and Industry Minister Toshihiro Nikai. Nishimatsu's dummy political groups have purchased 8.3 million yen worth of party tickets of Atarashii Nami (New Wave), a political organization headed by Nikai. Close ties between the two have been exposed.

According to Nishimatsu's business history, the company has received 11 orders for public works projects in Wakayama Prefecture worth 7.8 billion yen in total since 2002. Of them, nine were projects in Wakayama Constituency No. 3 worth 6.1 billion yen.

Included in them were a National Health Insurance Hidaka General Hospital emergency treatment and operation facility construction

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project worth 1.69 billion yen ordered by the hospital management union of five municipalities bordering Gobo City that started in October 2004 and the Ryujin Village General Exchange Center improvement project worth 960 million yen ordered by former Ryujin Village that began in February 2003.

Joint ventures including Nishimatsu also received orders for the evacuation tunnel of Kawabe Tunnel No.1 of Yuasa-Gobo Road ordered by Japan Highway Public Corp. that began in March 2002 and a National Health Insurance Kinan General Hospital construction project ordered by the Wakayama Social Insurance Bureau. Nishimatsu's contracts totaled 1.16 billion yen and 950 million yen, respectively.

In addition, the company independently received local municipalities' orders for town roads improvement projects and daycare and school refurbishing projects worth hundreds of millions of yen between 2003 and 2005.

According to their political funds reports, Shin-Seiji Mondai Kenkyu-ai (New Political Issues Study Association) and Mirai Sangyo Kenkyu-ai (Future Industry Study Association), both are dummy political organizations headed by former Nishimatsu employees, purchased party tickets worth 8.38 million yen from Ararashii Nami between 2004 and 2006.

The Tokyo District Public Prosecutors Office special investigation team has decided to question LDP political groups, including Nikai, in order to clarify the overall money flow from Nishimatsu to the political community.

(2) Declining mood for Lower House dissolution in LDP as cabinet support rates remain low, even with Nishimatsu donation scandal involving DPJ's Ozawa

MAINICHI (Page 5) (Full)  
March 12, 2009

There is a growing mood in the Liberal Democratic Party (LDP) to postpone as long as possible the next House of Representatives election. After the arrest of Democratic Party of Japan (DPJ) President Ichiro Ozawa's first state-paid secretary for receiving illegal donations from Nishimatsu Construction Co., calls arose for Lower House dissolution soon after the passage of the fiscal 2009

budget. However, since the support rate for the cabinet of Prime Minister Taro Aso has remained low, the prevailing view in the LDP is that Aso should give priority to compiling an economic stimulus package for the time being. There are less than six months left before the terms of office of members of the Lower House expire. However, Aso's strategy for Lower House dissolution remains unknown.

Former LDP Secretary General Tsutomu Takebe, in a meeting of his policy group the New Breeze, said: "We should serve out our terms as Lower House members," suggesting that the Lower House should not be dissolved until the end of the current terms of the Lower House members. He stressed that the LDP should go into the campaign for the next general election under a new LDP president. "In electing a new leader, we need to come up with a new set of campaign pledges," he said.

The view calling for a delay of the Lower House election is now

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becoming a shared understanding in the LDP.

Asked about the next Lower House election in the taping of a CS program, Election Strategy Council Deputy Chairman Yoshihide Suga on March 10 pointed out: "It is necessary for the economic recession to be turned around. The economic situation will be a major factor (deciding Lower House dissolution)." Suga took the view that (the prime minister) should attach priority to economic stimulus measures for the time being, forgoing Lower House dissolution. Calls for delaying Lower House dissolution stem from the current serious economic slump. Senior ruling coalition members confirmed in a meeting on March 11 a policy of working on additional economic stimulus measures in consideration of stock prices and the worsening employment situation. Concern has spread in the LDP, with a senior member saying: "The only way to boost the cabinet's support rate is to come up with an economic stimulus package that the public will appreciate."

Aso has set a diplomatic schedule that includes a trip to London in April to attend the G-20 financial summit. Since there is a possibility that the alleged illegal political donation scandal may spread to the LDP, the mood to hold an early Lower House election appears to be declining. In a speech delivered in Okinawa on March 9, former Prime Minister Yoshiro Mori stated on the next general election: "There is no need to hurry. I have always told the prime minister to serve out his term."

(3) Nishimatsu employees forced to help Ozawa's election campaigns, ex-secretary to Ozawa mobilized contractor's many employees to help campaign

SANKEI (Page 27) (Full)  
March 16, 2009

Sources connected with Nishimatsu Construction Co. revealed yesterday that a former secretary to Democratic Party of Japan (DPJ) President Ichiro Ozawa had mobilized a number of Nishimatsu employees to help Ozawa's election campaigns. The sources also unveiled that the former secretary had used the construction firm's workers not only for Ozawa's campaign but also for the secretary's own campaign for the House of Representatives election in 2000. The former secretary ran in the proportional representation segment race for the Lower House. According to sources familiar with the investigations into Ozawa's political management organization "Rikuzankai," the special investigation squad of the Tokyo Public Prosecutors Office seems to have discovered that the former secretary had forced Nishimatsu to begin illegal donations as part of support for Ozawa. The former secretary, however, has denied any involvement in creating such a donation system.

According to the Nishimatsu sources, the former secretary came from the town formerly known as Isawa (currently Oshu City) in Iwate Prefecture. The person is Ozawa's chief secretary Takanori Okubo's predecessor. Okubo, 47, is chief accountant of Rikuzankai. The earlier secretary worked for Ozawa for more than 20 years. The person was called Ozawa's right-hand man, since he actually managed

Ozawa's election campaigns. Senior officials from general construction firms often called on that person when they wanted to receive orders. The individual was believed to have had sway over construction industries in the Tohoku region.

According to the sources familiar with the investigation, the former

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secretary approved the Nishimatsu-created illegal donation system and handed it over to Okubo.

According to sources connected to Iwate Prefecture, the former secretary requested Nishimatsu to create a list of supporters for Ozawa's elections. Nishimatsu then asked the voluntary group "Showakai," made up of subcontractors, to provide support for Ozawa. Subcontractors were forced to join Ozawa's support group, as well as to support his election campaigns. Nishimatsu had many of its employees participate in mounting posters and election campaigns.

The former secretary ran in the 2000 Lower House election as a candidate on the now defunct Liberal Party ticket for the proportional representation Tohoku bloc race. The former secretary asked Nishimatsu to send its employees to support the Liberal Party's election campaign. Supported by Nishimatsu employees, the former secretary won a Lower House seat.

A source familiar with the general contractors in the Tokyo region said: "We could not receive orders unless we won the trust of the former secretary." The source said that Nishimatsu provided a great deal of support for the election campaigns of Ozawa, who has influence over public works projects in the Tohoku region. These election campaigns indicate strong ties between the Ozawa side and Nishimatsu.

The former secretary quit his Lower House seat, after serving his first term. Since then, the former secretary has broken off relations with Ozawa. The former secretary has denied his involvement in the illicit donations. The former secretary has said: "I had nothing to do with" the mobilization of Nishimatsu employees for election campaigns.

(4) Nishimatsu donation scandal adversely affecting coalition of opposition parties; SDP unhappy with political vacuum, PNP concerned about election cooperation

NIKKEI (Page 2) (Full)  
March 16, 2009

The arrest of Democratic Party of Japan (DPJ) President Ichiro Ozawa's secretary over an alleged illegal donation scandal involving Nishimatsu Construction Co. is casting a pall on the DPJ's cooperation with the Social Democratic Party (SDP) and People's New Party (PNP). With an eye on forming a coalition government of the three parties after winning the next House of Representatives election, policy cooperation, which was carried out under Ozawa's leadership, has now stalled. With the DPJ busy dealing with the scandal, the SDP and PNP find themselves unable to communicate with the largest opposition party. Some members of those parties have expressed their displeasure with the DPJ. If Ozawa's grip on the DPJ weakens, one result would be a negative impact on election cooperation among the three parties.

The DPJ and SDP, in a meeting on March 11 of their secretaries general, decided to draft this month a bill amending the Worker Dispatch Law. It has now become difficult to present the bill to the Diet in that timeframe, even though the DPJ is still calling for such. Many DPJ lawmakers are reluctant to sponsor a bill prohibiting the dispatch of workers to manufacturing companies, which the SDP and PNP want. Ozawa, however, instructed the party to make concessions on the issue. As a result, the three parties have

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started consultations. Some lawmakers in the SDP and PNP are concerned about the contents of the bill being affected by the

scandal.

SDP head Mizuho Fukushima on March 13 expressed her displeasure by saying: "The present political situation in which the Diet cannot debate issues is for the public a political vacuum." The prevailing view in the PNP is that Ozawa is the only person who can command the DPJ election cooperation, premised on the experience of reviewing postal privatization.

(5) Floating voters over 40 PERCENT

YOMIURI (Page 2) (Full)  
March 9, 2009

The general public is now not only becoming distrustful of the leading opposition Democratic Party of Japan (Minshuto) due to a second-tier construction company's alleged lawbreaking payoffs to DPJ President Ozawa's fund-managing body but is also growing distrustful of the present-day political climate in which the ruling Liberal Democratic Party and the DPJ are struggling for power, the Yomiuri Shimbun found from its public opinion survey conducted March 6-8. This trend is evident from the fact that there has been a sharp increase in the proportion of floating voters with no particular party affiliation, and that the proportion of those looking forward to political realignment or a grand coalition has swollen to nearly two-thirds of all respondents.

To take a look at the change of public support ratings for political parties, floating voters-or those who have no party to support-accounted for 42.6 PERCENT in the survey this time. Their proportion topped 40 PERCENT for the first time since the Aso cabinet came into office. It was no more than 26.4 PERCENT in a survey taken right after the Aso cabinet's inauguration in September last year. However, the proportion of floating voters also increased as if to synchronize with a drop in the rate of public support for the LDP. In the last survey, the proportion of floating voters reached 35.7 PERCENT. Due to the incident this time, people distanced themselves from Ozawa and his party. This seems to have led to a further increase in the population of floating voters.

In the survey this time, respondents were also asked about the desirable form of government after the next election for the House of Representatives. The proportion of those who would like to see "a new framework through political realignment" was 39 PERCENT, showing a further increase from 35 PERCENT in the last survey. Those looking forward to seeing "a grand coalition of the LDP and the DPJ" accounted for 25 PERCENT (24 PERCENT in the last survey). However, those desiring government beyond the current framework of the ruling and opposition parties accounted for 64 PERCENT. The proportion of those desiring "a DPJ-led coalition government," which was higher than that of those desiring "a grand coalition" in the last survey, decreased to 17 PERCENT (25 PERCENT in the last survey). This showing seems to reflect the incident this time.

Among LDP supporters, 38 PERCENT chose "an LDP-led coalition government," topping all other answers. However, those desiring "a grand coalition" accounted for 31 PERCENT and the proportion of those desiring "political realignment" at 25 PERCENT, totaling 56 PERCENT. Among DPJ supporters, 49 PERCENT chose "a DPJ-led coalition government," with 28 PERCENT preferring "a grand

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coalition" and 22 PERCENT opting for "political realignment. Among floating voters, those desiring "political realignment" and those desiring "a grand coalition" added up to 76 PERCENT, up 9 points from the last survey.

(6) Defense Ministry ready to intercept "satellite" launch in response to North Korea's notice

SANKEI (Page 2) (Excerpts)  
March 13, 2009

North Korea is reportedly preparing to test-fire a redesigned version of the long-range ballistic missile Taepodong-2. In reaction, Defense Minister Yasukazu Hamada said that if North Korea

launches an incoming projectile, even if it calls it a satellite, Japan will intercept it with its missile defense (MD) system. "It is quite natural to take counteraction against the launch," he said. As revealed by Hamada, Japan has created an environment in which its diplomatic card is a threat to intercept any launched missile, having introduced a legal system and set up the necessary equipment, though limited, to accomplish that end.

Only warhead different

After hearing the news that North Korea had informed an international agency of its plan to launch a "satellite," a senior Defense Ministry official yesterday regarded the notification as simply a means to justify its missile launch, saying: "It depends on how our side interprets it."

A ballistic missile and a satellite rocket are technically the same, with differences only in the destinations of their warheads. In the case of a missile, the warhead in falling travels along a parabolic curve, landing on the targeted site. Meanwhile, a satellite loaded on the warhead is separated from the rocket and is put into earth orbit. When North Korea test-fired a Taepodong-1 in August 1998, Pyongyang had announced the launching of a "satellite" Kwangmyongsong-1.

A missile lifts off at an angle of 45 degrees, while a satellite's angle is lower. It is difficult, however, to recognize whether the incoming projectile is a missile or a rocket, because it will reach Japan in only about 10 minutes after it is launched. Given this, the relevant provision in the Self-Defense Forces Law (SDF) enables Japan to intercept an incoming projectile, no matter whether it is a missile or a satellite.

Response in peacetime

The provision on measures to destroy ballistic missiles and the like, added to the SDF Law in July 2005, specifies that "except for aircraft, those objects that are expected once they fall to damage human lives or property " are considered targets for interception. Satellites are included in the category of ballistic missiles, etc.

The introduction of this provision is aimed to enable Japan to quickly take steps to destroy ballistic missiles in the case of there being no time to invoke a provision to mobilize the SDF, a process that requires a cabinet decision. Japan will invoke the SDF-mobilization provision during a contingency and the provision pertaining to missile destruction during peacetime.

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In contrast to the time when the North test-fired the Taepodong-1, Japan has completed legal preparations and has introduced the means to intercept missiles. A senior SDF official commented: "North Korea should notice that it is meaningless to try to make Japan waver by pretending a missile launch is part of space development."

Need to predict landing spot

In the event that a long-range ballistic missile, such as the Taepodong-2 (with a range of about 6,000 km), is launched, the missile will exit and then reenter the atmosphere to land on the targeted spot. To intercept it, it is necessary to predict where the missile will land.

Once the launch of a missile is confirmed through a U.S. early-warning satellite, an Aegis-equipped vessel and ground-based radar will spot and track the missile. When engine combustion ends about two minutes after the launch, the missile's velocity will become stabilized. The above cited senior SDF official said: "At that time, if its accelerated velocity is calculated at this moment, its trajectory and landing spot can be identified."

If it is confirmed that the missile is heading toward Japan's territorial area or waters, the SDF will shoot it down. If it is found moving in the direction of the U.S., Japan will let it fly, because taking action in such a case comes under the use of the

right to collective self-defense, which Japan denies itself.

Japan will take a two-step intercept approach. First the sea-based Standard Missile 3 (SM3) system on an Aegis destroyer tries to shoot an incoming projectile outside the atmosphere. If it fails, the land-based Patriot Advanced Capability 3 (PAC3) will shoot it down.

(7) SDF Somalia mission: Weapons-use rules to be relaxed to allow firing at ship to halt it

MAINICHI (Page 5) (Abridged slightly)  
March 12, 2009

Ryo Matsuo

In discussing the planned dispatch (of the Maritime Self-Defense Force) to waters off Somalia, Defense Minister Yasukazu Hamada has repeatedly called for easing of the rules on the use of weapons, which is currently allowed only in self-defense and emergency evacuation. A long-cherished desire of the Defense Ministry and defense policy specialists in the Liberal Democratic Party (LDP) has been allowing the SDF to use weapons for purposes other than self-defense, such as firing at the other party. In 2006, an LDP defense policy subcommittee drafted a bill on overseas dispatch legislation allowing using weapons to prevent terrorists and the like from fleeing and halting a vessel.

The government and the ruling bloc have formulated anti-piracy legislation allowing firing at an approaching pirate ship in defiance of a warning, in addition to in self-defense and emergency evaluation. The legislation reflects the Defense Ministry's assertion that action must be taken before the other party readies weapons or begins shooting.

This reportedly does not mean a change in the government's interpretation of the Constitution. That is because the use of

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weapons to clamp down on pirates, who are not a state or equivalent to a state, does not constitute to the use of armed force under the legislation. The legislation also confines the scope of activities to the high seas, where any country is allowed to crack down on pirates, and Japanese waters. Defining the SDF's position as complementing the Japan Coast Guard (JCG), the legislation draws a distinction with overseas missions in the past.

The weapons-use rules have been relaxed gradually. There is speculation among persons concerned that the latest step to ease the rules will affect the next mission. There is also a possibility that the U.S. Obama administration will ask Japan for contributions in dangerous Afghanistan. "Discussion of anti-piracy measures must not be confused with that on other support measures," a senior ruling-party member warned.

(8) Somalia dispatch (Part 2): JCG played major role in training personnel in Southeast Asia

TOKYO SHIMBUN (Page 1) (Abridged)  
March 13, 2009

The Japan Coast Guard's Shikishima, one of the largest patrol ships in the world, entered Jakarta's (Tanjung Priok port) on December 1, 2008.

In October 1999, a Japan-bound cargo ship was attacked and boarded by pirates in the Strait of Malacca, eventually setting 17 crewmembers adrift in the sea. The incident prompted the JCG to turn its eyes on the rest of the world.

The JCG has conducted 23 joint anti-piracy exercises with Asian countries since 2000. In particular, the JCG has given high priority to such countries surrounding the Strait of Malacca, a major maritime transport route, as Indonesia (five times), Malaysia (six times) and Singapore (five times). The Shikishima, sent to Indonesia, was equipped with two helicopters, two high-speed boats, and 35-mm multiple-launch machine guns -- equipment comparable to a

Maritime Self-Defense Force's destroyer. The Shikishima first set sail in 1992 as an escort to the Akatsuki Maru, a vessel that transported plutonium from France. Even back then, there were calls to dispatch MSDF destroyers. But some 20 billion yen was earmarked to build the Shikishima, based on then Prime Minister Ryutaro Hashimoto's view that dealing with piracy was part of the JCG's duties.

The Shikishima is now being used in anti-piracy measures in Asia. During its dispatch to Indonesia, nine local officers stayed aboard the ship.

The patrol vessel carrying arms and a Japanese flag was not welcomed at first. The first joint exercise with the Singaporean Coast Guard was delayed two years due to the local media, which was alarmed at the prospect of a Japanese patrol ship.

Exercises have achieved positive results, at the same time. Malaysian Coast Guard officers were placed on board the JCG patrol boat in waters off Malaysia as trainees. This led to the Malaysian government's desire to establish a Malaysian-style JCG. In 2005, the Malaysian Maritime Enforcement Agency was established with the assistance of the JCG.

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In 2006, a coordination council was launched in Indonesia with 12 government agencies aiming to establish a coast guard. Japan donated three patrol boats to Indonesia in the following year.

The number of ships attacked by pirates in the Strait of Malacca markedly dropped from 80 in 2000 to eight in 2008.

In waters off Somalia, there were 111 attacks last year, and of which 80 PERCENT occurred in the Gulf Aden. Yemen faces Somalia across from the Gulf of Aden.

When JCG officers visited Yemen late last year, a senior Yemeni Coast Guard officer called for Japan's support, saying: "It is more effective to increase our capabilities since we have more expertise in anti-piracy measures than foreign troops." By turning a deaf ear to such opinion and disregarding the JCG's achievements in Asia, the government has decided to send MSDF destroyers, which have never engaged in anti-piracy operations, to waters off Somalia.

(9) Futenma airfield causes 16 fuel spill incidents during 8 years from 1999 to 2006, but reported only one case

RYUKYU SHIMPO (Page 1) (Full)  
March 14, 2009

The U.S. Marine Corps' Futenma Air Station caused at least 16 fuel spills during the period of eight years from 1999 to 2006 but reported only one case, the Ryukyu Shimpo found yesterday. This fact became known from a USMC report obtained under the Freedom of Information Act by Kiminori Hayashi, a part-time instructor of environmental economics at Otsuma Women's University. That case was reported to Okinawa Prefecture in July 2002 and was not reported to Ginowan City at all.

The U.S. military is to report any leakage of dangerous objects and hazardous substances to local governments in accordance with an agreement reached in 1997 between Japan and the United States at their intergovernmental joint committee. "Fuel spilled is inflammable and will contaminate soil and water," Ginowan Mayor Yoichi Iha said. He added: "The U.S. military has an obligation to report such incidents to local governments. The government should strongly request the U.S. military report any fuel leakage without fail."

According to a document disclosed in November 2006 regarding Futenma contamination, there were 18 contaminant leaks, including 16 fuel spill cases. The largest scale of leakage was in a spill of jet fuel in December 2000, totaling 2,640 gallons (9,992 liters). In many cases, those fuel spills were due to valves or other malfunctioning fittings, damage to piping, or leaks during refueling.



The U.S. Yokota Air Base in Tokyo caused 90 fuel spills during the same period. However, the disclosure of Futenma airfield's fuel spills was limited due to its lack of centralized information management. The Yokota base creates a detailed report on any of serious fuel spillage amounting to more than 1,000 gallons. However, there was no detailed report on such fuel spills at the Futenma base.

"Futenma is used more frequently than Yokota," Hayashi noted. He added: "Even so, there were only 16 fuel spill incidents at Futenma. This figure is small." He warned: "If serious contamination remains

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with no information provided by the U.S. military, that will leave a considerable impediment to plans on using the site of Futenma airfield after its return."

Ginowan City officials yesterday entered the Futenma base for an on-site inspection and then inquired about the 16 fuel spill incidents. A city official quoted a U.S. Marine Corps officer as saying: "We don't know."

(10) U.S. clarifies anti-whaling stance: Change in policy with inauguration of Obama administration

ASAHI (Page 3) (Full)  
March 14, 2009

A change was observed in the U.S. stance toward whaling at the recent meeting of the International Whaling Commission in Rome that closed on March 13. The U.S. previously under the Bush administration had steered clear of taking proactive stands. However, the Obama administration has revealed that it is taking a stance opposing scientific research whaling. Previously, the lack of U.S. interest in this issue was a kind of relief for Japan, which has long been in confrontation with anti-whaling countries, such as Australia and European countries. If the U.S. is now taking an interest in the whaling issue, the anti-whaling countries' encirclement net around Japan could rapidly be tightened.

In a speech at the first session of the IWC interim meeting held on March 9 in Rome, a U.S. delegate said, "Scientific research whaling that kills whales is unnecessary." Members of anti-whaling countries responded to the speech by waving their fists in the air.

The attitude of the U.S. delegate at the first plenary meeting of the IWC since the inauguration of Obama administration was obviously different from that taken during the Bush era. The U.S. delegation included White House officials. A source connected with one European country said, "The impact of the proactive involvement of the U.S. is great. It is a boost for anti-whaling countries."

The U.S. has been showing signs of change in its approach to whaling since last year. Replying before the election to questions from Greenpeace USA, an environmental group, candidate Obama said, "If I win the presidency, I will display my leadership for protecting wild animals throughout the world. It is unacceptable to allow whaling based on the method adopted by Japan."

The IWC has reached a stalemate due to confrontation between whaling and anti-whaling countries. For whaling countries, whales are a natural resource to be exploited under controlled conditions. But whales are precious wild creatures for anti-whaling countries. There is little room for compromise.

Concerned about the situation, IWC Chairman Hogarth, an American, presented a compromise plan in February. The options he proposed were: 1) in compensation for its coastal whaling being allowed in a limited way for five years, Japan would end its scientific whaling in the Southern Ocean in stages, or 2) to continue such whaling, based on limits set by the IWC.

To the anti-whaling camp, allowing coastal whaling means allowing commercial whaling. In the meantime, since the number of catches to be allowed in coastal whaling would drop from the current 1,000 to

about 100, Japan felt it could not accept the coastal-whaling proposal that would end research whaling. There are at present no signs of Japan making a compromise.

Chairman Hogarth assumed his position in 2006 during the Bush administration. He has shown consideration to Japan since then. His three-year term will end at the annual plenary meeting in June. The likelihood is strong that unless an agreement is reached in some form or other by that time, conditions surrounding Japan will become increasingly severe under the Obama administration. A European source involved in the meeting said, "This is the last chance for Japan."

Akira Nakamae, head of the Japanese delegation, recognized the changing situation, noting, "I am aware that a prevailing view in the U.S. is against whaling." If pressure for abolishing scientific research whaling increases further, Japan's secession from the IWC, which it has been hinting since around 2007, could become a reality.

(11) Unpredicted effect of additional economic package on boosting economy

MAINICHI (Page 2) (Full)  
March 14, 2009

Prime Minister Taro Aso instructed Liberal Democratic Party and New Komeito members yesterday to work out additional economic measures. The government aims to propose unprecedentedly large-scale public works projects that will need large-scale fiscal disbursements and spread over two to three years. The government also intends to come up with a Japanese version of the Green New Deal, including such measures as installing solar panels across the nation. With this project, the government aims to underscore its eagerness to strengthen the growth potential of the Japanese economy. Taking advantage of the current economic crisis, some members in the ruling camp are trying to again expand public works projects, which have been seen as wasting money. Voices of doubt are being heard about the package's effect on underpinning the economy.

Regarding public works projects, some lawmakers have proposed frontloading projects related to bullet-train (Shinkansen) construction. A senior Liberal Democratic Party lawmaker said: "If we assert that bullet trains emit less carbon dioxide than automobiles do, it will become possible to carry out construction projects quickly." An LDP lawmaker lobbying for the interests of the domestic construction industry has proposed that the government should construct information-technology (IT) infrastructure and repair bridges on a large scale, noting that "the U.S. Obama administration has also started such projects."

A securities analyst commented: "Even if conventional-type public works projects are expanded in scale, they will not contribute to reviving private demand." This kind of view is dominant in the market. Hideo Kumano, a member of Dai-Ichi Life Research Institute Inc. grumbled: "If the additional package ends up only worsening the economy, people might become more concerned about future tax hikes."

Measures to assist people purchase eco-friendly vehicles or home appliances have drawn much attention from the Nippon Keidanren (the Japan Business Federation) and other business groups, one executive

saying: "Such measures will stimulate personal consumption." It remains to be seen, though, to what extent the measures will generate demand when households are increasingly worried about their future due to companies' accelerated moves to cut jobs. Some persons have suggested distributing cash, like the fixed-amount cash handout measure, but a senior economic government office member said: "We remain unable to work out effective measures."

The U.S. government asked the member countries of the Group of 20 (G-20) countries prior to their second emergency summit (financial summit) in April to map out economic stimulus measures totaling at least 2 PERCENT of gross domestic product (GDP). Kaoru Yosano, finance minister and minister of state for economic and fiscal policy, said: "We will prepare our reply by the time of the financial summit," but even if measures are quickly hammered out, they will unlikely serve to put the economy on a sustainable recovery track.

Aso makes no reference to fiscal 2009 extra budget

Although Aso instructed the ruling camp to look into additional economic measures yesterday, he made no reference to a fiscal 2009 supplementary budget bill. Will he enact an extra budget in the current Diet session or seek a public judgment in the next House of Representatives election after only listing measures? Which option he chooses will inevitably affect his Diet dissolution strategy. The prime minister seems to be willing to adjust the timing with the ruling side while showing eagerness to keep his administration in power by coming up with additional economic stimulus measures.

Surrounded by reporters at his official residence yesterday noon, Aso spoke eloquently: "Not only the party but entire Japan, including academic circles (gakkai in Japanese), should be involved in working out (economic measures). I am not talking about the Sokka Gakkai (a religious group supporting the New Komeito)." Hearing this, a senior New Komeito member said, smiling wryly: "He apparently is becoming cheerful again."

Public support for his administration has not remarkably improved even after the revelation of illegal donations by Nishimatsu Construction Co. (to the Democratic Party of Japan President Ichiro Ozawa). Since then, however, an atmosphere seeking delaying the next House of Representatives election has mounted within the LDP. Criticism of Aso has also toned down.

An increasing number of ruling party members, focusing on the rapidly deteriorating economic situation, have begun to suggest approving a supplementary budget bill in the current Diet session. Yoshitaka Murata, first vice chairman of the Diet Affairs Committee said in a press conference yesterday: "If conditions permit, we might be able to take time as much as possible and take additional stimulus measures after thoroughly discussing their contents," indicating the possibility of extending the current session, which is due to end June 3. Some speculate that the prime minister might delay the dissolution of the Lower House to sometime close to the day of the expiration of the Lower House members' terms of office in September, reflecting the diplomatic calendar in and after April and the Tokyo Metropolitan Assembly election in July.

Aso reiterated in an interview by cabinet reporters last evening: "I want to make a decision on (the day of) dissolving the Lower House."

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Suggested additional economic stimulus measures

Public works projects ? Frontload highway and Shinkansen construction projects.

? Construct IT infrastructure, including laying electric lines underground.

? Make public facilities quake-proof and repairing bridges.

? Reduce local governments' burden by increasing subsidies and other means.

Job-creation measures ? Expand subsidies to firms to keep their employees on their payrolls.

? Pay money to help those under vocational training to find jobs.

? Increase the amount of local governments' funds to create jobs.

Japanese-version Green New Deal ? Install solar panels to public facilities.

? Give subsidies for purchase of eco-friendly cars or home appliances.

? Assist development of technologies to protect the environment.

Monetary measures ? Assist mid-ranking and large firms in raising

funds.

? Study measures to bolster stock prices.

ZUMWALT